

**WATER/FLC/SNR/PTL/MML: jlj**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Branch**

**RESOLUTION NO. W-4510  
December 16, 2004**

**R E S O L U T I O N**

**(RES. W-4510), LEWISTON VALLEY WATER COMPANY, INC. (LVW).  
ORDER AUTHORIZING AN INCREASE IN GENERAL RATES FOR  
WATER OPERATIONS PRODUCING AN INCREASE IN ANNUAL  
REVENUES OF \$6,541 OR 25.8% AND AN INCREASE IN GENERAL  
RATES FOR SEWER OPERATIONS PRODUCING AN INCREASE IN  
ANNUAL REVENUES OF \$9,914 OR 101.7% FOR TEST YEAR 2004.**

**SUMMARY**

By Draft Advice Letter accepted on February 23, 2004, LVW seeks an increase in rates for water service (LVW-Water) to recover increased operating expenses and to provide an adequate rate of return on its capital investment. In the same letter, LVW also seeks an increase in rates for sewer service (LVW-Sewer) to recover increases in State Water Resource Control Board (SWRCB) fees, increased operating expenses, and to provide an adequate rate of return on its capital investment. This resolution grants a general rate increase in gross annual revenues of \$6,541 or 25.8% for water operations and a general rate increase in gross annual revenues of \$9,914 or 101.7% for sewer operations for Test Year 2004. These increases will produce a 12.90% return on rate base in the test year.

This resolution adds new facilities fees, orders that metered service become mandatory, and that monthly rates be established for private fire service connections as requested by LVW in the Draft Advice Letter. It also authorizes LVW to add a late fee (Schedule LC, Late Payment Charge), and to update tariff rules 7 (Deposits), 9 (Rendering and Payment of Bills), 10 (Disputed Bills), and 11 (Discontinuance and Restoration of Service) to the current standard versions.

**BACKGROUND**

LVW-Water is a Class D utility and serves approximately 11 metered and 28 flat rate customers. LVW-Sewer is a Class D utility and serves approximately 34 flat rate customers. Both utilities serve the same area in and near Lewiston, Trinity County.

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LVW requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to produce additional revenues of \$ 11,019 or 43.0% in 2004 and to increase rates for sewer service to produce additional revenues of \$20,529 or 208% in 2004.

LVW-Water's present rates became effective on December 21, 1994, with a general rate increase of \$ 9,686 or 87.85%, pursuant to Res.W-3895. LVW-Sewer's last general rate increase became effective on December 21, 1994, pursuant to Res. W-3897. LVW-Sewer was granted an interim cash flow increase subject to refund of \$12,100 or 122% on April 22, 2004, pursuant to Res.W-4466.

LVW acquired water and sewer operations per Decision (D.) 93-10-066 on October 20, 1993. At that time all the investors were, "with one exception, persons who own real property in the area" who would profit from improvements to both systems through increases in the value of their real estate holdings. D.93-10-066 and the attached Stipulated Agreement require that all stockholders requesting new service shall invest \$2,500 per single-family equivalent water hook-up and \$1,250 per single-family equivalent sewer hook-up. These funds were designated for capital improvements of the water and sewer system in order to expedite system improvements. LVW seeks to replace this requirement with a facilities fee applicable to all new service.

## **DISCUSSION**

The Water Division (Division) made an independent analysis of LVW's summary of earnings and issued its report in September 2004. Appendix A shows LVW's and the Division's estimates of the summary of earnings for water operations at present, requested, and recommended rates. Appendix B shows the analogous information for sewer operations.

LVW was informed of the Division's differing views of operating revenues and expenses and accepted the Division's estimates as shown in Appendices A and B.

The Division based its recommendation for both water and sewer operations on a 12.90% return on rate base, which is the midpoint of the range recommended by the Division's Audit and Compliance Branch for Class D water and sewer utilities for 2004. The operating ratio method as authorized by D.92-03-093 would result in a much lower return for water operations since LVW has substantial rate base. There is no Commission order requiring the use of the operating ratio method for sewer utilities.

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LVW-Water's current rate structure consists of Schedule No. 1, Metered Service; Schedule No. 1TP, Metered Trailer Park Service; and Schedule No. 2R, Residential Flat Rate Service. LVW asked that a 5/8 X 3/4-inch meter rate be added to Schedule No. 1, since there is now one customer receiving service through a 5/8 X 3/4-inch meter and being billed at the 3/4-inch meter rate. Division's recommendation is based on increasing the revenues received from sales to customers using each of the current schedules by 25.8% (the overall percentage increase). To achieve this for Schedule No. 1, it was necessary to raise the service charge for meters 3/4-inch and larger by 27.4% to compensate for the new 5/8 x 3/4-inch rate.

LVW-Water requested to eliminate the Residential Flat Rate Service as a fairness issue. The Division agrees and recommends a deadline of March 31, 2005, for the elimination of flat rates as shown in Appendix C, Page 3. The Division believes that there is insufficient data to base new rates on an estimate of future metered sales and has based its recommendation on the current customer mix and rate structure. Therefore, the Division recommends that LVW be required to report the annual quantity of water sold to each customer class as part of their annual report to allow staff to determine if they are experiencing a windfall.

Division analyzed the resultant rate structure and found that the new rates fall within the guideline of recovery of up to 100% of fixed costs through the service charge, set forth in D.92-03-093 for Class D utilities. A comparison of customer bills at present and recommended rates is in Appendix E. The adopted quantities are shown in Appendix G.

The Division's recommendation for LVW-Sewer's rate increase is \$2,186 less than the interim increase granted, subject to refund, by Res. W-4466. This is partially due to a decrease in fees passed by the SWRCB since LVW-Sewer filed for new rates. There were also substantial expenses recorded as contract work and professional services which Division views as investment in plant. The Division recommends a February 1, 2005 deadline for LVW to file an advice letter establishing a surcredit to refund excess revenues collected pursuant to Res. W-4466.

In 2003, LVW-Sewer experienced an increase in the sewage discharge permit fee imposed by the SWRCB from \$1,200 to \$5,668. On May 20, 2004, the SWRCB adopted a new fee schedule, which will result in a \$3,375 fee for LVW-Sewer in 2004. The Division has learned that further restructuring of SWRCB fees is being studied for 2005. Because the future of the SWRCB fee is uncertain and beyond the control of the utility, the Division recommends that LVW-Sewer be required to establish a

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balancing account to track these fees. The current fee, which Division used to develop its recommendation, is listed as an adopted quantity in Appendix H.

LVW-Sewer requested to recover retroactively, through a surcharge, the SWRCB fees imposed in 2003. There was no memorandum account in place at the time these fees were incurred. Therefore, these fees cannot be recovered because of the legal prohibition against retroactive ratemaking. The Division has used the current fee of \$3,375 in its recommendation.

LVW-Sewer's current rate structure consists of Schedule No. 2E, Flat Rate Effluent Removal Service, and Schedule No. 2, Flat Rate Sewer Service. Since all rates are flat rates, new rates are calculated by increasing the current rates by the 101.7% revenue increase required. A comparison of customer bills at present and recommended rates is in Appendix F. The adopted quantities are shown in Appendix H.

All Class D water companies are authorized by Res.W-4110 to file facilities fees by advice letter (subject to dollar limits by meter size given in Appendix A of that resolution). The facilities fees for LVW-Water given in Appendix I conform to Res. W-4110. There is no set Commission standard for facilities fees for sewer. In the case of the investment currently required of LVW stockholders, the amount required for a sewer connection is one-half of the amount required for a water connection. Furthermore, facilities fees are intended to compensate for the incremental impact of a new connection on the amount of plant required; and sewer plant per customer is typically about one-half of water plant per customer. Therefore, the Division recommends that the base rate for sewer facilities fees be set at one-half of the water facilities fee for a 5/8 x 3/4-inch meter and that the facilities fees given in Appendices I and J be adopted and applied to all new services. Since, these facilities fees would be treated as contributions and apply to everyone, including stockholders, the Division recommends that the stockholders be relieved of the requirement to invest when they request a new connection. However, since the requirement for the stockholders to invest was enacted by D.93-10-066, Section 1708 of the Public Utilities Code requires that notice of the change and an opportunity to be heard be given to the parties to D.93-10-066.

### **NOTICE AND PUBLIC MEETING**

A notice of the proposed rate increase was mailed to each customer on February 27, 2004. The Division received five letters complaining about the size of the proposed increases. The utility has responded in writing explaining in detail why the increase is necessary. An additional customer wrote complaining of service issues at his property. Staff investigated the complaint and believes that the utility's

response has been adequate.

A public meeting was held on Tuesday, March 23, 2004. The Commission representative explained Commission rate-setting procedures. The Utility's representatives explained the need for the rate increase. Fifteen customers attended the meeting and raised the same concerns as the aforementioned letters. In addition, several customers made the point that the area is comprised mostly of low-income customers who will have difficulty affording the proposed rates.

Notice was mailed to parties of D.93-10-066 on November 3, 2004, pursuant to Section 1708 of the Public Utilities Code. No comments were received.

### **COMPLIANCE**

There are no outstanding Commission orders requiring system improvements. The utility has been filing its annual reports as required.

LVW-Water needs to establish a late charge (Schedule No. LC, Late Payment Charge), and update the following tariff rules: Preliminary Statement; 3, Application for Service; 5, Special Information Required on Forms; 7, Deposits; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 21, Fire Protection, and Forms 2, Customer's Deposit Receipt; and 3, Bill for Service.

### **FINDINGS**

1. The Division's recommended summary of earnings for water (Appendix A) and for sewer (Appendix B) are reasonable and should be adopted.
2. The rates proposed by the Division (Appendices C and D) are reasonable and should be adopted.
3. The quantities (Appendices G and H) used to develop the Division's recommendations are reasonable and should be adopted.
4. LVW-Sewer should be required to file an advice letter with the Water Division, no later than February 1, 2005, to establish a surcredit to refund the excess rates collected pursuant to Res.W-4466.
5. LVW-Water should be required to report the annual quantity of water sold to each customer class as part of their annual report.

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6. LVW-Water should be allowed to establish a late charge (Schedule No. LC, Late Payment Charge) as given in Appendix C, page 4 and to file updated versions of tariff the following: Preliminary Statement; Rules 3, Application for Service; 5, Special Information Required on Forms; 7, Deposits; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 21, Fire Protection, and Forms 2, Customer's Deposit Receipt; and 3, Bill for Service, as supplied by the Water Division.
7. LVW-Water's flat rate customers should be converted to metered rates by March 31, 2005.
8. LVW-Sewer should be required to establish a balancing account to track changes in SWRCB fees.
9. The facilities fees for water, set forth in Appendix I, conform to those already approved for all Class D utilities and should be adopted. The facilities fees for sewer, set forth in Appendix J, are reasonable and should be adopted.
10. The stockholders should be relieved of the investment requirement associated with new connections, which was initiated in Decision No. 93-10-066, and should be required to contribute facilities fees as set forth in Appendices I and J.
11. The rate increase proposed by the Division is justified and the resulting rates are just and reasonable.
12. This resolution modifies D.93-10-066 and PU Code 1708 requires that notice of the change and an opportunity to be heard be given to the parties to that decision.

**THEREFORE IT IS ORDERED THAT:**

1. Authority is granted under Public Utilities Code Section 454 for Lewiston Valley Water Company, Inc., Water Service, to file an advice letter incorporating the summary of earnings and the revised schedules attached to this resolution as Appendices A and C, respectively, and incorporating the new schedules attached to this resolution as Appendices I and K, and concurrently cancel its presently effective rate schedules No. 1, General Metered Service; No. 1TP, Metered Trailer Park Service, and No. 2R Residential Flat Rate Service. Its filing shall comply with General Order 96-A. The effective date of the revised schedule shall be five days after the date of its filing.

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2. Authority is granted under Public Utilities Code Section 454 for Lewiston Valley Water Company, Inc., Sewer Service, to file an advice letter incorporating the summary of earnings and the revised schedules attached to this resolution as Appendices B and D, respectively, and incorporating the new schedule attached to this resolution as Appendix J, and concurrently cancel its presently effective rate schedules No. 2E, Flat Rate Effluent Removal Service, and No. 2, Flat Rate Sewer Service. Its filing shall comply with General Order 96-A. The effective date of the revised schedule shall be five days after the date of its filing.
3. Lewiston Valley Water Company, Inc., Water Service, shall file its Schedule LC, Late Payment Charge; Preliminary Statement; Rules 3, Application for Service; 5, Special Information Required on Forms; 7, Deposits; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 21, Fire Protection, and Forms 2, Customer's Deposit Receipt; and 3, Bill for Service, as supplied by the Water Division.
4. Lewiston Valley Water Company, Inc., Sewer Service, shall file an advice letter with the Water Division, no later than February 1, 2005, to establish a surcredit to refund the excess rates collected pursuant to Res.W-4466.
5. Lewiston Valley Water Company, Inc., Water Service, shall report the annual quantity of water sold to each customer class as part of its annual reports.
6. Lewiston Valley Water Company, Inc., Water Service shall convert all flat rate customers to metered rates by March 31, 2005.
7. Lewiston Valley Water Company, Inc., Sewer Service shall establish a balancing account for State Water Resource Control Board Fees.
8. Lewiston Valley Water Company, Inc. stockholders are relieved of the investment requirement associated with new connections, which was initiated in Decision No. 93-10-066, and shall be required to contribute facilities fees as set forth in Appendices I and J.

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9. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 16, 2004; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director



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**APPENDIX A**  
**Lewiston Valley Water Company, Inc. -Water Service**

**Summary of Earnings**  
**Test Year 2004**

	Utility Estimate		Branch Estimate		
	Present Rates	Requested Rates	Present Rates	Requested Rates	Recommended Rates
OPERATING REVENUES					
Unmetered Revenue	10275	14686	10133	14686	12752
Metered Revenue	15395	22003	15182	22003	19105
Total	25670	36689	25316	36689	31857
OPERATING EXPENSES					
Power	2913	2913	2891	2891	2891
Other Volume Related Exp	1465	1465	749	749	749
Employee Labor	4800	4800	4440	4440	4440
Materials	1459	1459	1206	1206	1206
Contract Work DHS Fees			415	415	415
Contract Water Testing			814	814	814
Transportation Exp.				0	0
Other Plant Maintenance				0	0
Office Salaries	500	500	450	450	450
Management Salaries	4800	4800	2340	2340	2340
Employee Benefits				0	0
Uncollectibles	200	200	214	214	214
Office Rental	3510	3510	900	900	900
Office Supplies and Exp	910	910	681	681	681
Professional Services				0	0
Insurance	1657	1657	1869	1869	1869
Regulatory Comm Exp	359	359	0	0	0
General Expenses			1051	1051	1051
Subtotal	22573	22573	18020	18020	18020
Depreciation Expense	3467	3467	2370	2370	2370
Taxes other than income	1384	1384	1244	1244	1244
State Income Tax	800	0	800	1331	904
Federal Income Tax		1934	432	2059	1398
Total Deductions	28224	29358	22866	25023	23935
NET REVENUE:	-2554	7332	2450	11666	7922
Rate Base	54310	54310	61409	61409	61409
Rate of Return	Loss	13.50%	3.99%	19.00%	12.90%

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**APPENDIX B**

**Lewiston Valley Water Company, Inc. – Sewer Service  
Water Division  
Summary of Earnings  
Test Year 2004**

	Utility Estimate		Branch Estimate		Recommended
	Present Rates	Requested Rates	Present Rates	Requested Rates	Rates
<b>OPERATING REVENUES</b>					
Unmetered Revenue	9885	30414	9749	30414	19663
Total	9885	30414	9749	30414	19663
<b>OPERATING EXPENSES</b>					
Power	497	497	514	514	514
Other Volume Related Exp				0	0
Employee Labor	1600	1600	1560	1560	1560
Materials	139	139	139	139	139
Contract Work	2500	2500		0	0
Transportation Exp.				0	0
Other Plant Maintenance	1000	1000	1000	1000	1000
Office Salaries	500	500	150	150	150
Management Salaries	1600	1600	780	780	780
Employee Benefits				0	0
Uncollectibles	100	100	100	100	100
Office Rental	1170	1170	300	300	300
Office Supplies and Exp	303	303	227	227	227
Professional Services	5000	5000	0	0	0
Insurance	552	552	630	630	630
Regulatory Comm Exp	136	136	0	0	0
General Expenses			346	346	346
Subtotal	15097	15097	5746	5746	5746
Depreciation Expense	5200	5200	4311	4311	4311
Taxes other than income	6115	6115	3822	3822	3822
State Income Tax	800		800	1462	800
Federal Income Tax		773	0	2261	748
Total Deductions	27212	27185	14679	17601	15426
NET REVENUE:	-17327	3239	-4930	12813	4236
Rate Base	23992	23992	32840	32840	32840
Rate of Return	(loss)	13.50%	(loss)	39.02%	12.90%

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**APPENDIX C**

**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. 1**

**METERED SERVICE**

**APPLICABILITY**

Applicable to all single-entity metered water service.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
All water, per 100 cu. Ft.	\$ 1.38	(I)
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 24.20	(N)
For 3/4-inch meter	36.31	(I)
For 1-inch meter	60.51	
For 1-1/2-inch meter	121.02	
For 2-inch meter	193.63	
For 3-inch meter	363.05	(I)

The Service Charge is a readiness-to-serve charge, which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

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**APPENDIX C**

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**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. 1TP**

**METERED TRAILER PARK SERVICE**

**APPLICABILITY**

Applicable to all metered water service provided to trailer parks.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

		Per Meter Per Month	
Quantity Rate:			
All water, per 100 cu. Ft.	\$	1.38	(I)
Service Charge:			
For a trailer park serving			
fewer than 15 internal connections	\$375.79		(I)
15 to 30 internal connections	\$468.14		
30 to 45 internal connections	\$560.50		
More than 45 internal connections	\$598.71		(I)

The Service Charge is a readiness-to-serve charge, which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

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**APPENDIX C**

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**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. 2R**

**TEMPORARY RESIDENTIAL FLAT RATE SERVICE** (C)

**APPLICABILITY**

Applicable to all flat rate residential water service.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

	<b><u>Per Service Connection Per Month</u></b>	
For each connection.....	\$39.63	(I)

**SPECIAL CONDITIONS**

1. The above flat rates apply to service connections not larger than 3/4-inch in diameter.
2. The monthly flat rate charge is due in advance, in accordance with the utility's established billing periods.
3. All flat rate service shall be changed to metered service by March 31, 2005. (N)
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

**APPENDIX C**

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**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. LC**

**LATE PAYMENT CHARGE**

**APPLICABILITY**

Applicable to all flat rate and metered residential services.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

Late Charge: A charge of \$5.00 on unpaid balance subject to special conditions below.

**SPECIAL CONDITIONS**

1. The balance is unpaid and subject to a late charge if the bill is past due, or delinquent, as defined in Rule No. 11, Section B.1.a.).
2. The late charge should be imposed only once on a delinquent bill since the account would be shut off before a subsequent bill and then subject to the reconnection fee as authorized by Tariff Rule No. 11.
3. All bills shall be subject to the reimbursement fee as set forth on Schedule UF.

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**APPENDIX D**

**Lewiston Valley Water Company, Inc. - Sewer Service**

**Schedule No. 2E**

**FLAT RATE EFFLUENT REMOVAL SERVICE**

**APPLICABILITY**

Applicable to all sewer service customers discharging only septic tank effluent into the sewer system.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

<u>Flat Rate:</u>	<u>Per Month</u>	
For each equivalent housing unit	\$40.91	(I)
<u>Housing Unit Equivalents:</u>		
Each office unit	1 housing unit	
Each single-family home	1 housing unit	
Each housing unit in a multi-family building	0.75 housing units	
Mama's Restaurant	2 housing units	(N)
Lewiston Valley Motel	3 housing units	
Trailer Park		
Each mobile home unit	1 housing unit	
Each recreational vehicle	0.75 housing unit	

**SPECIAL CONDITIONS**

1. Flat rate sewer charges are billed monthly in advance.
2. The above rates apply only to customers operating private septic tanks and introducing no solid sewage into the collection system.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

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**APPENDIX D**

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**Lewiston Valley Water Company, Inc. - Sewer Service**

**Schedule No. 2**

**FLAT RATE SEWER SERVICE**

**APPLICABILITY**

Applicable to general sewer service.

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

<u>Flat Rate:</u>	<u>Per Month</u>	
For each connection.....	\$46.83	(I)

**SPECIAL CONDITIONS**

1. The above flat rates apply only to service connections not larger than 4 inches in diameter.
2. This tariff was closed to all new connections by Resolution W-3897, adopted by the Commission on December 21, 1994. All new connections made subsequent to that date must be served under Schedule No. 2E.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.



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**APPENDIX E**

**Lewiston Valley Water Company, Inc. - Water Service**

**Comparison of Rates**

A comparison of the present rates and the Branch's recommended rates is shown below.

	<u>Present Rates</u>	<u>Recommended Rates</u>
<b><u>FLAT RATE</u></b>		
For each connection	\$31.50	\$39.63
<b><u>METERED SERVICE</u></b>		
Quantity Rates		
All water, per 100 cu. Ft.	\$1.10	\$1.38
Service Charge		
For 5/8 x 3/4-inch meter	NA	\$ 24.20
For 3/4-inch meter	\$ 28.50	36.31
For 1-inch meter	47.50	60.51
For 1 1/2-inch meter	95.00	121.02
For 2-inch meter	152.00	193.63
For 3-inch meter	285.00	363.05
<b>TRAILER PARK</b>		
Quantity Rates		
All water, per 100 cu. Ft.	\$1.10	\$1.38
Service Charge		
fewer than 15 internal connections	\$295.00	\$375.79
15 to 30 internal connections	367.50	468.14
30 to 45 internal connections	440.00	560.50
more than 45 internal connections	470.00	598.71

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**APPENDIX E**

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**Lewiston Valley Water Company, Inc. - Water Service**

**Comparison of Rates**

The water bill for a customer with a 3/4-inch meter under present and proposed rates, with various amounts of water used per month is shown below.

Usage	Present	Recommended		
<u>100s Cu Ft</u>	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	<u>%Increase</u>
0	\$28.50	\$36.31	\$7.81	27.40%
4	\$32.90	\$41.83	\$8.93	27.14%
8	\$37.30	\$47.35	\$10.05	26.94%
12	\$41.70	\$52.87	\$11.17	26.79%
16	\$46.10	\$58.39	\$12.29	26.66%
20	\$50.50	\$63.91	\$13.41	26.55%

**APPENDIX F****Lewiston Valley Water Company, Inc. - Sewer Service****Comparison of Rates**

A comparison of the present rates and the Branch's recommended rates is shown below.

**FLAT RATE SERVICE**

	<u>Per Connection Per Month</u>		
	<u>Present Rates</u>	<u>Recommended Rates</u>	<u>Percent Increase</u>
<b><u>Effluent Only Service</u></b>			
For each equivalent housing unit	\$20.00	\$40.91	101.7%
For Lewiston Valley Motel	\$60.00	\$122.73	101.7%
<b><u>General Sewer Service</u></b>			
For each connection	\$22.90	\$ 46.83	101.7%

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**APPENDIX G**  
**Lewiston Valley Water Company, Inc. - Water Service**

**Adopted Quantities**  
**Test Year 2004**

**Purchased Power:**

Well Site Adopted kWh		26000
	\$/kWh	
Current Price	0.0939	\$2,441.40
Current Surcharge	0.0107	\$278.20
Cal Energy Tax	0.0002	\$5.20
Public Benefit Charge	0.0027	\$70.20
Total		\$2,795.00
Treatment Plant Charge		
Minimum bill 10.03*12		\$120.36
Merged Bill Credit \$2.06*12		-\$24.72
Adopted Water Company Power		\$2,890.64

**Purchased Water:**

None

**Average Annual Water Production:**

18905 Ccf

**Number of Connections:**

Flat Rate	28
Trailer Parks	1
5/8 x 3/4 -inch meter	1
3/4-inch meter	7
1-inch meter	2
1 1/2-inch meter	0
2-inch meter	0
3-inch meter	0
Total	39

**DHS Inspection Fees:** \$415

**Water Testing Costs:** \$814

**DRAFT**

Resolution W-4510

December 16, 2004

LVW/DRAFT AL/FLC/SNR/PTL/MML: jlj

**APPENDIX H**

**Lewiston Valley Water Company, Inc. - Sewer Service**

**Adopted Quantities**

**Test Year 2004**

**Purchased Power:**

Meter 257 Adopted kWh		2646
	<u>\$/kWh</u>	
Current Price	0.0939	\$248.46
Current		
Surcharge	0.0107	\$28.31
Cal Energy Tax	0.0002	\$0.53
Public Benefit		
Charge	0.0027	\$7.14
Meter 257 Total		\$284.45
Meter 350 Adopted kWh for 6 months above minimum.		1801
Current Price	0.0939	\$169.11
Current		
Surcharge	0.0107	\$19.27
Cal Energy Tax	0.0002	\$0.36
Public Benefit		
Charge	0.0027	\$4.86
Six Months minimum charge 6*\$10.03		\$60.18
Meter 350 Total		\$253.79
Adopted Meter		
257		\$284.45
Adopted Meter		
350		\$253.79
Merged Billing Credit 12*\$2.06		<u>-\$24.72</u>
Adopted Sewer Co Power		\$513.51

**Service Connections:**

Effluent-only flat rate service	5
Raw sewage flat rate service	<u>29</u>
Total Service Connections	34

**State Water Resource Control Board Fees:** \$3,375

**APPENDIX I**

**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. F**  
**FACILITIES FEES**

**APPLICABILITY**

Applicable to all customers applying for service from the Utility in the territory served for premises not previously connected to its distribution mains and for additional service connections to existing premises, and for increases in size of service connections to existing premises.

**TERRITORY**

This schedule is applicable within the entire territory served by the Utility.

**RATES**

**Initial Fee for each Service Connection:**

For 5/8 x 3/4-inch meter .....	\$ 2,000
For 3/4-inch meter .....	3,000
For 1-inch meter .....	5,000
For 1 1/2-inch meter .....	10,000
For 2-inch meter .....	16,000

**SPECIAL CONDITIONS**

1. Facilities fees are applicable to metered rate service for the size meter shown.
2. Facilities fees are not applicable to residential flat rate service customers that are switched to 5/8 x 3/4 or 3/4-inch meters.
3. Facilities fees are payable in addition to and do not limit any charges for extensions of mains that may be applicable under Rule 15, Main Extensions.
4. Payments made under this schedule **are not** subject to the reimbursement fee set forth in Schedule No. UF.

**APPENDIX J**

**Lewiston Valley Water Company, Inc.  
(Sewer Service)**

**Schedule No. F  
FACILITIES FEES**

**APPLICABILITY**

Applicable to all customers applying for service from the Utility in the territory served for premises not previously connected to its distribution mains and for additional service connections to existing premises.

**TERRITORY**

This schedule is applicable within the entire territory served by the utility.

**RATES**

\$1,000 per residential connection or equivalent housing unit as specified in Schedule No. 2E.

**SPECIAL CONDITIONS**

1. Facilities fees are applicable to all new sewer service.
2. Payments made under this schedule **are not** subject to the reimbursement fee set forth in Schedule No. UF.

**DRAFT**

Resolution W-4510

December 16, 2004

LVW/DRAFT AL/FLC/SNR/PTL/MML: jlj

**APPENDIX K**  
**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. PF**

**PRIVATE FIRE SERVICE;**

**APPLICABILITY**

Applicable to water service furnished to private fire systems and to private fire hydrants

**TERRITORY**

The town of Lewiston and vicinity, Trinity County.

**RATES**

	<u>Per Month</u>
For a 2-inch service connection.....	\$10.00
For a 3-inch service connection.....	\$15.00
For a 4-inch service connection.....	\$20.00

**SPECIAL CONDITIONS**

1. The customer will pay, without refund, the entire cost of the private fire service facilities.
2. The private fire service facilities shall be installed by the utility or under the utility's direction and shall be the sole property and subject to the control of the utility, with the right to alter, repair, replace and the right to remove upon discontinuance of service.
3. The minimum diameter for the private fire service connection will be 2-inches. The maximum diameter shall not be larger than the diameter of the water main to which the private fire service facilities are attached.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the utility at the cost of the customer, in accordance with Rule No. 15. Such cost shall not be subject to refund.

(continued)



**APPENDIX K**

**Page 2**

**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. F**

**(N)**

(continued)

**PRIVATE FIRE SERVICE**

**SPECIAL CONDITIONS**

5. The private fire service facilities will include a detector check valve or other similar device acceptable to the utility, which will indicate the use of water. The facilities may be located within the customer's premises or within public right of way adjacent thereto. Where located within the premises, the utility and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities. In the event the installation is solely a private fire hydrant facility, the requirement for a detector check valve or other similar device may be waived.
6. No structure shall be built over the private fire service facilities and the customer shall maintain and safeguard the area occupied by the private fire service facilities from traffic and other hazardous conditions. The customer will be responsible for any damage to the private fire service facilities whether resulting from the use or operation of appliances and facilities on customer's premises or otherwise.
7. Subject to the approval of the utility, any change in the location or construction of the private fire service facilities as may be requested by public authority or the customer will be made by the utility following payment to the utility of the entire cost of such change.
8. The customer's installation must be such as to separate effectively the private fire service facilities from that of the customer's regular domestic water service. Any unauthorized use of water from the private fire service facilities will be charged for at the applicable tariff rates and may be grounds for the utility's discontinuing private fire service without liability to the utility.
9. There shall be no cross connection between the systems supplied by water through the utility's private fire service facilities and any other source of supply without the specific approval of the utility. The specific approval, if given, will at least require at the customer's expense, a special double check valve installation or other backflow prevention device acceptable to the utility. Any unauthorized cross connection may be grounds for immediately discontinuing private fire service without liability to the utility.

(continued)

**APPENDIX K**

**Page 3**

**Lewiston Valley Water Company, Inc. - Water Service**

**Schedule No. F**

(continued)

**PRIVATE FIRE SERVICE**

**SPECIAL CONDITIONS**

10. The utility will supply only such water at such pressure as may be available from time to time as a result of its operation of the system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding adequacy of pressure or supply for fire protection service.
11. The customer shall be responsible for the periodic testing of any backflow prevention devices as required by public authority or the utility. Any repair or replacement of such devices or of any other facilities installed to provide private fire service shall be done at the customer's expense. Any refusal to comply with the above requirements may be grounds for the utility's discontinuing private fire service without liability to the utility.
12. All bills are subject to the reimbursement fee set forth in Schedule No. UF.